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**The NRA  
and  
American Labor**

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**Workers Age**

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## The NRA and Labor

Whatever one's opinion may be as to the meaning and ultimate results of the National Industrial Recovery Act, there cannot be any question at all as to its profound consequences for the workers as a class and for the labor movement in all its aspects. We are only beginning now to realize how deep and far-flung are these implications. The vague feeling among large masses of the wage-earners that this "code business in Washington" is going to have a vital effect on their whole future in industry, is more than justified. The fact of the matter is that the NRA is no mere piece of legislation; it is the legal aspect of the new stage in economic and class relations which we have now definitely entered, the reorganization of our economic system in the direction of state capitalism. The NRA may seem an emergency measure to remain in effect for two years only; but the truth is that, in its essential features, it is the culmination of the economic evolution of past decades and will continue to exercise its influence for years to come.

The impact of the Recovery Act upon the American working class and upon the labor movement may be studied from two angles: (1) The effect of the NRA upon wage and hour standards and conditions of labor of the workers, from the point of view of the efficacy of the act in actually bringing about recovery; and (2) the effect of the NRA

"There could be nothing more fatal to the American labor movement in general and to the revolutionary movement in particular than the illusion that the A. F. of L. can no longer grow and has no future. It is silly to look at the existing American trade union movement with its 3,000,000 members as stationary, unchangeable. . . . The outlook is clearly for an ingress into the trade unions, for sharpened class conflicts involving millions of workers in trade unions as well as millions of sorely pressed unorganized. In the course of these struggles the unorganized are likely to pour into the unions and finally they will serve as a decisive force, the leaven germinating a new spirit of struggle, militancy and power in these organizations."

JAY LOVESTONE  
in "Workers Age", May 14, 1932.



upon the class relations between labor and capital, upon trade unionism and labor organization.

How is the Recovery Act to serve as a recovery measure? First, by "securing cooperative action within industry and eliminating unfair competitive practises," in the words of Senator Wagner, one of the original champions of the act and now the head of the National Labor Board. But this remedy cannot be taken seriously. There is plenty of "cooperative action" within the trustified steel industry and there are no "unfair competitive practises" because there is substantially no competition at all. Yet the crisis has hit the steel industry as badly as any other.

Secondly, recovery is to come thru a policy of systematic price-raising, which has been authoritatively declared to be "paramount" in the economic schemes of the "New Deal." It is not necessary here to examine the economics of this price-raising witchcraft; its essence lies in the curious superstition that, because recovery is generally accompanied by a rise in price levels, therefore artificially stimulated price rises will necessarily induce economic recovery. More important for the moment is the fact that a policy of systematic price-raising has a definite boomerang effect. It very obviously cuts buying power and thereby impedes recovery and brings great hardship to the workers, whose wages go mostly for articles of immediate consumption. It necessitates deliberate limitation of output, for only in this way can systematic price-raising be effected over a period of time. Limitation of output has indeed become a basic pillar of the "New Deal." But surely no one will main-

tain that limitation of output is the road to reemployment and thus to recovery! Finally, artificial price-raising is impossible beyond a certain point without insurmountable tariff walls and embargoes, hence without the still further reduction of foreign trade. Price-raising as a systematic policy is hopelessly entangled in its inescapable contradictions!

It is along the third road that the NRA promises most success; the reduction of the work-week, the stimulation of reemployment and the increase of buying power by a system of minimum wages. But here again the facts have another story to tell. In May 1933 the average work-week of employed industrial workers was about 38 hours. It is clear that the minimum work-week proposed in most codes, 40 hours or more, will involve no real reemployment. Even were the 35-hour provision of the blanket (PRA) code included in all codes—as a matter of fact, it appears in less than a dozen of the several score "modified" blanket codes already adopted—it would imply a reemployment of only about 8%, with hours equalized.<sup>1</sup> And this 8% is

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1 Consider some important cases. The automobile code provides for a maximum work-week of 35 hours "on the average." Now, in 1932, the average hours actually worked in one week in motor vehicle production were 31.9 (*Monthly Labor Review*, August 1933, p. 366). The stockyards NRA modified code provides for a maximum work-week of 48 hours for all except clerical employees. In 1931, when production was at a higher level, the average hours actually worked in one week in slaughtering and meat packing was 45.9 (above, p. 369). The oil code provides a maximum work-



really only a maximum, for, obviously enough, "employers everywhere will endeavor to get (in the shorter hours) the output formerly obtained during long hours." It is notorious that the recent pick-up in production was accompanied by a much smaller rise in employments; speed-up and rationalization stand as inevitable obstacles to the process of reemployment. What reemployment will actually take place under the Recovery Act, especially in the various industrial fields, is still problematical but one thing is quite certain: it certainly will not be extensive enough to provide firm ground for any substantial recovery movement. To say this is by no means to deny the greater possibilities of eliminating excessively long hours, sweatshop conditions and child labor under the new dispensation. But recovery is another matter.

In his statement to the public on the adoption of the NRA, President Roosevelt assured us:

"In my inaugural address I laid down the simple proposition that nobody is going to starve in this country. It seems to me equally plain

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week of 40 hours for practically all except clerical help. In June 1933, the average hours in crude petroleum production were 42.6 (as above, p.420). The steel code provides for a 40-hour maximum work-week averaged over a three-month period, with maximum per employee of 48 hours and 6 days a week. In June 1933, the average hours per week in the iron and steel industry were 37.9 (as above, p. 421). The soft-coal code provides for a maximum work-week of 40 hours. In June 1933, the average hours per week in the soft-coal industry were 28.5 (as above, p. 420).

that no business which depends for its existence on paying less than *living wages* to its workers has any right to continue in this country. . . . By living wages I mean more than a bare subsistence level—I mean *the wages of decent living.*"

How has this "ideal" turned out in the reality of the codes? According to the figures provided by the Department of Labor the *bare subsistence wage* for a worker's family of five was, in December 1932, about \$26.77 a week, while the "minimum for health and efficiency" was \$31.23 a week. Is it necessary to point out that very few of the codes adopted provide a wage in any approximation to the subsistence level, not to speak of the "standard of health and efficiency"? Indeed, many codes make it impossible for a family to reach subsistence level, even if both adults work all the time.

But will the minimum wage levels provided for in the codes really raise mass buying power enough to guarantee a firm basis for recovery? No statistics of existing minimum wages are available—indeed, without any general minimum wage legislation, the concept itself has hardly any ascertainable meaning. But an intelligent guess can be made when we examine the nearly one hundred codes and NRA modified codes in the light of the fact that, in May 1933, the average wage in American industry was about \$20, or, remembering that the average work-week was 38 hours, about 53c an hour. Now some of the codes (steel, lumber, canning, trucking, etc.) call for minimums as low as 20c-25c an hour in various parts of the country, while few go above 40c.<sup>2</sup>



There is no reason to assume that barring large-scale reemployment, there will be any substantial expansion of the buying power of the wage-earners. Indeed, if the present drive to cripple the fighting power of the trade unions meets with any success so that the minimum rates tend to become the prevailing rates, there may even result a shrinkage of buying power!

Finally, it should be clear that whatever formal rise in buying power may come from the minimum wage regulations, (meager enough at best) will be completely swallowed up in the sky-rocketing of prices.

The most significant tendency of the NRA minimum wage legislation, it seems quite clear, is to "stabilize" the sub-starvation wage levels of the depression, raising very low wages here, reducing higher wages there, but leaving general real wage levels not much changed

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2 The automobile code provides for a minimum wage rate of from 40c to 43c an hour, depending upon the population of the locality. In June 1933, the average hourly wage in automobile production was 57.1c (*Monthly Labor Review*, August 1933, p.421). The steel code provides for minimum hourly wage rates varying from 25c to 40c. In June 1933, the average hourly wage in iron and steel was 48.2 (as above, p. 421). The oil code provides for a geographically distributed wage rate varying between 40c and 47c. In June 1933, the hourly wage rate in crude petroleum production was 62.9c (as above, p. 420). Note also that no consideration seems to be given to the fact that, when an unemployed worker on relief gets a job, the increase in buying power is measured not by his wages but by his wages minus the relief benefit he formerly obtained.

from what they are today after four years of crisis and merciless wage cutting. If labor allows this tendency to remain unchallenged, it will be a real disaster with the gravest consequences for years to come.

Sober realism, then, compels us to insist that no substantial reemployment or increase in buying power and therefore no substantial recovery is likely to emerge from the operations of the Recovery Act.

The question of the effects of the NRA is greatly obscured by the fact that it began its operations in a period of recovery. It is not my purpose here to trace the causes of the present economic upturn or to examine how complete or permanent it is. But that this upturn is not due to the Recovery Act ought to be obvious on the face of it since it began long before the NRA was enacted and since it extends, to a greater or less degree, to most capitalist countries (rising prices, decline in unemployment, increased industrial activity). Indeed, a plausible case might be made for the contention that the activities of the NRA have had and are having a disturbing effect on the present recovery movement.

From a long-range viewpoint, the most fundamental consideration is, after all, the effect of the Recovery Act upon the basic class relations of labor and capital, upon trade unionism and labor organization in particular. The problem is a difficult and manysided one but some grasp of it, at least of its more immediate aspects, is today a life-and-death matter for the workers.

1. The NRA elevates class collaboration into a fundamental governmental policy. "It is hereby declared to be the policy of Con-



gress," reads Section 1 of the act, "to induce and to maintain united action of labor and management under adequate governmental sanctions and supervision." Those who are at all acquainted with the havoc wrought in the labor movement during the last ten years by class collaboration, can imagine the consequences of the new nation-wide system of "worker-management cooperation," enforced and controlled by the Federal government.

2. The frequent assertions of General Johnson that the NRA "does not intend to organize either industry or labor" are well known. But they are a mere obvious fraud. The Recovery Act posits as its aim "to provide for the general welfare *by promoting the organization of industry for the purpose of cooperative action among trade groups.*" Furthermore, the very operation of the NRA organizes the employers, *automatically* so to speak, since, for the act to begin operating in each field, it is necessary for the employers in that field, or at least the most decisive sections of the employers, to get together in a trade conference, to form what is virtually a trade association, to elect a trade board and so on. The power of capital is immensely strengthened and the relative power of organized labor greatly weakened. This is of primary and decisive significance and has its implications for the entire scope of capital-labor relations.

3. But is not labor's "right of collective bargaining," of union organization guaranteed? Yes, indeed, the NRA gives labor the bare, *verbal* right of collective bargaining. But what is this right worth? A Mr. G. H. Bugniaket, secretary of the Internation-

al Brotherhood of Electrical Workers, has been taught by bitter experience, "the sections of the code dealing with labor and made mandatory by the law for every code . . . (are) *so much deadwood, cumbering up the legal landscape.*"

Not only has General Johnson repeatedly disavowed any intention of letting the NRA be "used for the unionization of any industry" but Donald B. Richberg, general counsel of the NRA, has even made an appeal against any organization work being undertaken before codes are adopted—at the same time, notice, that the employers are being automatically organized!

What the much-vaunted right of "collective bargaining," as guaranteed under the Recovery Act, really means is being demonstrated today in the auto plants, in the steel mills and in the textile factories. Without the *power*, the "right" is a delusion and a snare and in their efforts to strengthen the power of their organizations, the workers run directly counter to the NRA!

4. The gravest menace to unionism, however, lies in the fact that, by taking over full control of wages and hours and assuming the power of interfering in the inner concerns of the labor organizations, the NRA is undermining the very basis of unionism by attempting to deprive it of its functions. If the workers cannot look to their unions to fight for them to settle hours and wages, if the President can, by his own decree, arbitrarily determine everything, do and undo anything, then what are unions for? Miss Mary Van Kleeck, the Director of Industrial Studies at the Russell Sage Foundation, who, it might



be added in passing, has taken a far more intelligent view of the NRA than most labor leaders, points out quite correctly that what organized workers want is "not only to raise wages but to *win the power to raise wages thru organization.*" There is already talk in NRA circles to the effect that the "old kind of unions" (i.e., *class unions* against the employers) are "no longer needed."

5. The whole extent of the threat to unionism is emphasized most spectacularly by the openly avowed policy of the NRA to suppress strikes and industrial conflicts as part of the administration of the Recovery Act. Even before the establishment of the National Labor Board the course of the NRA was clear enough. "Manifestly the purpose of the act is to create and preserve harmonious relationships and to prevent industrial strife and class conflicts," announced General Johnson as early as July 7. In Paterson, John A. Moffitt, representative of the United States Department of Labor, "indicated that if the strike were continued the government would give the textile company whatever assistance and protection was necessary to permit re-opening the plant with new help."

Then we had the Pennsylvania experience, where the movement of the miners for unionization, apparently "guaranteed" by the act, was deliberately suppressed by the NRA authorities, this time with the help of the union officials. The culmination came with the setting up of the National Labor Board, a commission of seven, headed by Senator Wagner and dominated by members of notorious open shop and company union concerns, entrusted with the task of preventing and

"settling" all strikes and labor struggles. On this strike-breaking board are to be found William Green and John L. Lewis.

And now Grover Whalen, head of the city's NRA forces, announces in his own characteristic manner that even the most peaceful picketing is to be "suspended" when used against NRA employers. Chief Inspector O'Brien chimes in to instruct us that "interference" with the NRA, in word and deed, is really "conspiracy against the government!" The grotesqueness of these contentions should not blind us to their grave menace.

The restriction of the right to strike and to picket is a bad blow at the labor movement. With this right gone, labor would be completely helpless, at the mercy of the employers. But this is the inner meaning of the NRA.

6. The "open shop" issue has loomed large in the last several weeks. And indeed it is a central question. In effect, and in spite of all equivocation, the NRA has declared the open shop universal and has banned the union (closed) shop. To "abolish" the *terms* "closed shop" and "open shop" from the NRA vocabulary, as General Johnson has done in his recent pronouncement, is not mere shabby evasion to "please both sides"; it is a well calculated move to enthrone the open shop, even though the name may not be uttered in the dread presence of the Blue Eagle.

What is the open shop? It is a shop in which workers are hired, fired and promoted "without regard to union membership"; in practise, of course, it means a shop from which union members, and especially "agitators," are excluded, being easily gotten rid of on the ground of "inefficiency." Every experienced



worker knows that no union is established or really amounts to anything until it has won the union shop, where only union workers can be employed or at least receive preference and where the union has something to say about job tenure. Until this is achieved, union recognition is hardly more than a phrase.

Before the unpleasant term was barred, General Johnson had a good deal to say about the open shop. "As I understand it," he took occasion to remark, "the open shop is a place where any man who is competent and whose services are desired will be employed, regardless of whether or not he belongs to a union. That is exactly what the law says. The statute cannot be qualified. The law clearly states that there shall not be any requirement as to whether or not a man belongs to a union. Is anything clearer than that needed?" No; not even "clarifying" statements by General Johnson himself!

The "interpretation" of Section 7a in the automobile code, altho it does not use the censored word, really entrenches the open shop in the industry. But the declaration of General Johnson goes even further. To grant the employer the right to make "individual agreements with those (workers) who choose to act individually" is to make unionism entirely impossible under the shabby pretext of "protecting the freedom of contract of the working man."

But it was in his Labor Day address before the Illinois Federation of Labor in Chicago that General Johnson made the meaning of the law and the attitude of the administration so perfectly clear that even the most NRA-intoxicated trade union official can under-

stand. "If an employer should make a contract with a particular (labor) organization especially if that organization did not have 100% membership among his employees, that would, in effect, be a contract to interfere with his workers freedom of choice of their representatives or with their right to bargain individually and would amount to employer coercion on these matters—which is contrary to law." The logic of this contention is precisely the traditional logic of the open shoppers, that the union shop is really an "infringement of the rights of the workers." That General Johnson and the NRA should make use of this logic is significant enough of their orientation and outlook.

7. In the same way, and in spite of Section 7a, the NRA really strengthens the position of company unionism in industry and even encourages its spread. In its "open shop" declaration, the NRA has made it quite clear that, as far as it is concerned, the company union and the genuine union are on exactly the same level as instruments of collective bargaining. "There is nothing in the law that prevents employees from choosing to be represented by a company union nor does the law make it mandatory for the employers to accept the national union" (the genuine union). Once the company union is recognized as a legitimate form of unionism, as a legitimate agency of collective bargaining, whether directly or thru the subterfuge of an "impartial" referendum, the struggle against it is more than crippled. Over one and a half million workers are in company unions today and the spread of these organizations is proceeding apace under the protection of the Blue Eagle. What is going on in the steel



mills today should be a big lesson to the workers.

8. How is the NRA being administered by the Recovery Administration? With the impartiality of which General Johnson, "Barney Baruch's boy," always boasts? We present two witnesses, of directly opposite character who lead us to the same conclusion. Declared the "New York Herald-Tribune," faithful mouthpiece of reaction: "On the administration of the statute, far more than on its terms, depends the success of the experiment . . . . If he (Roosevelt) continues to trust much to a man like General Johnson, the country, while vigilant, will follow his leadership in the faith that his intention is not to remake but to restore America." Now let G. H. Bugniazet, secretary of the International Brotherhood of Electrical Workers, testify: "The rules imposed by William L. Allen, deputy administrator, greatly favored the employers and handicapped labor . . . . When labor made a point against the (electrical) code, it was glided over by the deputy administrator and thereafter every question was designed to bring out a rebuttal answer of the employers." Even Mr. Green has expressed his dissatisfaction with the administrators and administration of the Recovery Act, in timid terms, it is true, but quite definitely, nevertheless.

It would be a grave error, destructive to the effectiveness of any labor organization, to stop at this point and to limit the analysis of the Recovery Act to those features and consequences which hold such real menace to labor. True enough, these elements are the most characteristic and decisive but they are

not the whole picture. Fortunately neither the avowed objectives of the Recovery Act nor all of General Johnson's deliverances from on high can change the inner logic of social relations. The most superficial survey of the situation created by the NRA is enough to indicate that it provides certain vantage points for a labor movement which is alive, militant and realistic, that, under its impact, certain changes are taking place of considerable benefit to the working class and to trade unionism. Of course, these elements of the situation are far from having been intended by the sponsors of the "New Deal" and are even less welcome to them, but they are unquestionably there and it is necessary for the labor movement to understand them in order to be able to take proper advantage of them under very difficult circumstances.

1. Supplementing the effect of the recent turn in the economic situation, the Recovery Act has undoubtedly helped unleash a wave of strikes and labor struggles thru all parts of the country that has come as a breath of fresh air in the stagnant atmosphere of recent years. The mere wording of Section 7a, fortified by some of the early demagoguery of the NRA, has naturally enough created the impression among workers and sympathetic elements of the lower middle class that strikes and labor unionism are now "respectable," "legal," "guaranteed by the NRA," "supported by the President" and what not. The pent-up resentment of four years of bitter crisis is at last breaking through.

2. For the same reasons the last few weeks have witnessed an almost phenomenal growth of many A. F. of L. unions, coming



as the result of vigorous and widespread organization campaigns. The spread of the U.M.W.A. in the non-union fields of Western Pennsylvania and the South and the spectacular success of the New York dressmakers in organizing the trade, are only outstanding examples; perhaps as significant is the sentiment for unionization so keenly felt today among large sections of quite backward workers.

3. The very vigor of the movement has again demonstrated the complete inadequacy of craft unionism in the face of modern mass production industry and the indispensability of industrial unionism. Not only are those unions that have made the greatest advance—the United Mine Workers of America and the International Ladies Garment Workers Union, for example—either wholly or partly industrial in structure but there is a strong tendency towards industrial unionism even in those fields where craft unionism has hitherto reigned supreme and where it is now being felt as an almost insuperable obstacle to expansion (auto industry, metal trades, etc.). The movement has proved strong enough to break through even the hidebound traditions of the A. F. of L., as the new “plant union” system, in spite of its obvious shortcomings, shows.

4. Most significant of all is the powerful drive towards the A. F. of L. and towards unity of the trade union movement generally. The pact between the Amalgamated Clothing Workers and the United Garment Workers and the probability of the former joining the A. F. of L., are important indications; it is rumored that even the railroad brotherhoods

are contemplating a similar move. Under the dispensation of the Blue Eagle, trade union unity within the A. F. of L. is vitally necessary in the barest interests of self-defense and this is being increasingly appreciated everywhere. Never was dual unionism more dangerous to labor's cause than today, dual unionism either of the “revolutionary” T.U. U.L. variety or of the conservative type found in the Illinois soft-coal and anthracite fields. Fortunately, it is well on the way to extinction.

The advantages labor can reap from the Recovery Act are not in the nature of a free grant made by the NRA in the fullness of its impartial beneficence; *they are gains to be snatched from the grasp of the enemy, by organization, by solidarity, by fighting.* Note that the unions which have won most under the NRA, such as the I.L.G.W.U., were able to obtain what they did only because of the militancy and organized determination of the workers. The recent general strike of the dressmakers in New York speaks for itself.

The profound changes involved in the execution of the National Industrial Recovery Act will certainly effect a deep-going transformation in the economic and social set-up of this country and consequently also in the problems and tasks of the labor movement. To the degree that it proves capable of grasping the manifold aspects of the new situation, not only statically but in their dynamic implications, at the same time maintaining inviolate its class independence, to that degree will labor be able to measure up to the tasks facing it in the uncertain and difficult future!

September 1933.



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